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THE BUDGET FUNCTION

The budget is provided as a management tool for the use of the Director of Central Intelligence and other Agency officials in developing, coordinating, and directing Agency activities. The budget is not the end in itself but is the means through which plans for achieving program results are presented in terms of financial requirements. It is the mechanism through which Agency officials present a plan of action based on predetermined policy. The budget reflects the Agency's operating and financial programs and, when results are reported and evaluated in relation to the plans, serves Agency officials in controlling their operations. A budget that is properly developed and coordinated outlines the goals that are to be accomplished. It becomes a standard for measuring results. Comparative reports reveal areas of difficulty in time to permit corrective action. A budget, thus used, is not just a financial document but becomes an aid in achieving sound, efficient, and economical program administration. In addition to being a management tool, the budget is the vehicle by which operating funds are obtained for the Agency. These funds are secured through a process of budget submissions and reviews beginning with the preliminary estimates at the operating level and culminating in an appropriation by the Congress. The budget cycle from the formulation stage through the execution stage covers a period of about 36 months.

Agency officials use the budget in planning and executing Agency programs. It serves as an effective tool of management control in converting long-term plans into operating plans and in controlling such

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operations. Support of the budget as a management tool not only benefits the Agency as a whole but also aids each Agency official by:

- (1) Providing a sounder basis for forecasting and scheduling work production;
- (2) Improving utilization of personnel by permitting more effective distribution of work, aiding in detecting over-staffing, and supporting requests for personnel and facilities;
- (3) Providing comparisons of results to check performance; and
- (4) Furnishing more useful information concerning program progress, thus permitting the officials to effectively administer the programs for which they are responsible.

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